

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2003-306-C - ORDER NO. 2004-57  
FEBRUARY 10, 2004

IN RE: Application of E2 Communications, Inc. for a ) ORDER GRANTING <sup>✓</sup> RRG  
Certificate of Public Convenience and ) CERTIFICATE  
Necessity to Provide Interexchange and Local )  
Exchange Telecommunications Services and )  
for Alternative Regulation and Flexible )  
Regulation )

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of E2 Communications, Inc. ("E2" or the "Applicant" or the "Company") for authority to provide resold local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its intrastate interexchange business service offerings in accordance with the principles and procedures established for alternative regulation by Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2003) and the Rules and Regulations of the Commission.

By letter, the Commission's Executive Director instructed the Applicant to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the

areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Applicant complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC").

Counsel for SCTC filed with the Commission a Stipulation in which the Applicant stipulated that it would not seek authority in rural local exchange ("LEC") service areas of South Carolina and that it would not provide local service to any customer located in a rural incumbent's service area, unless and until E2 provided written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. E2 also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. E2 agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on January 14, 2004, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Mignon Clyburn, Chairman, presided. E2 was represented by Adelaide D. Kline, Esquire. Matthew Marron, Chairman of E2, appeared and testified on behalf of the Company. Jocelyn Boyd, Staff Counsel, represented the Commission Staff.

Mr. Marron presented testimony to demonstrate E2's financial, managerial, and technical ability to provide the telecommunications services for which authority is sought in South Carolina. The witness also presented testimony regarding his background and experience in business and telecommunications as well as that of the other executives of E2. According to Mr. Marron's testimony, E2 is a start-up corporation based in Greenville, South Carolina. The other officers of the corporation are Mr. Marron's wife, Jane Marron, who will serve as E2's CFO, and his father, Matthew Marron, Sr., who will serve as the Company's Chief Operating Officer. Mr. Marron further testified that E2 would operate solely as a non-facilities based reseller of telecommunications services and would begin by offering pre-paid local service in the upstate area of South Carolina. He offered that the Company hopes to possibly expand services into Georgia and North Carolina if E2 successfully operates in this state. Mr. Marron further testified that E2 has a target market among the Spanish-speaking community of South Carolina.

The testimony reveals that E2 proposes to provide local exchange telecommunications service via resale and through the leasing of unbundled network elements, including the unbundled network platform ("UNE-P"), and to provide resold interexchange telecommunications services for the direct transmission and reception of voice and data between locations throughout the State of South Carolina. The Company intends to provide service to both residential and business customers and to resell interexchange telecommunications services, including prepaid local service and travel services available through toll-free access. Service is to be provided twenty-four (24) hours per day, seven (7) days per week. As E2 will be operating as a reseller of local

exchange and long distance service, the Company's traffic will be routed entirely over the network of its underlying carriers. Additionally, E2 will rely on its facilities-based underlying carriers for the operation and maintenance of the local exchange and interexchange networks.

The testimony reveals further that E2 agrees to provide and market its services in compliance with current Commission policies. In particular, Mr. Marron testified that the Company is familiar with Commission Order No. 93-462 regarding resale of intraLATA telecommunications services and will attempt to comply with the terms of that Order in every respect possible. On behalf of E2, Mr. Marron agreed that at all times the Company will provide interstate services in compliance with the Federal Communications Commission ("FCC") rules and regulations. Mr. Marron further testified that the Company does not intend to use telemarketing in the sale of its services but intends to market its services through point of sale and print advertising, primarily in Spanish language newspapers and other print media.

E2 has requested waivers of certain Commission rules and regulations. Specifically, E2 has requested a waiver of 26 S.C. Code Regs. 103-631 which requires local telephone service providers to publish and distribute a local telephone directory, and a waiver of 26 S. C. Code Regs. 103-612.2.3 requiring maps of exchange service areas to be filed with the Commission. E2 further requests that it be permitted to maintain its books and records according to Generally Accepted Accounting Principles.

E2 has contracted with a third party corporation to provide operator and other services. Specifically, E2 has contracted with MTA Services, a Florida corporation, to

provide these services. MTA Services will provide assistance to E2 customers in both English and Spanish. All customer complaints and inquiries will be handled by E2's Chief Financial Officer, Jane Marron. The Company's toll free number and address will be printed on customers' monthly billing statements.

Mr. Marron testified that the residents of South Carolina will benefit from E2's service and presence in South Carolina. The testimony reveals that customers in the Company's service territory will receive increased choice and heightened opportunities to obtain improved technology in their homes and businesses. Further, Mr. Marron opined that the granting of the certificate of authority to provide local exchange service will offer increased efficiency to the State's telecommunications infrastructure through greater reliability of services and an increase in competitive choices. The testimony reveals the Company's Application to provide telecommunications services in other jurisdictions has never been denied, and the Company agrees to abide by and comply with the Commission's rules, regulations, and Orders.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. E2 is a South Carolina Corporation based in Greenville, South Carolina. E2 is a "start up" company which wishes to begin its business operation of offering both local and long distance telecommunications services in South Carolina.

2. E2 is a provider of local exchange and interexchange telecommunications services and wishes to be issued a certificate by this Commission to provide its services in South Carolina.

3. Based on the testimony presented at the hearing in this matter, as well as the documents contained in the record concerning the financial stability of the Applicant, we find that E2 has the managerial, technical, and financial resources to provide the services as described in its Application.

4. We find that E2's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2003).

5. We find based on the testimony and documents in the record in this case that E2 will support universally available telephone service at affordable rates.

6. We further find that based on testimony at the hearing in this matter and the documents in the record that E2 has the capability to provide services which will meet the service standards of the Commission.

7. The Commission finds that the provision of local exchange service by E2 will not "adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2003).

8. We find that the issuance of the authority requested by E2 is in the best interests of the citizens of the State of South Carolina.

**CONCLUSIONS OF LAW**

1. The Commission concludes that E2 possesses the managerial, technical, and financial resources to provide the competitive local exchange telecommunications services and intrastate interexchange services as described in its Application.

2. The Commission concludes that E2's "provision of service will not adversely impact the availability of affordable local exchange service."

3. The Commission concludes that E2 will participate in the support of universally available telephone service at affordable rates to the extent that E2 may be required to do so by the Commission.

4. The Commission concludes that E2 will provide services which will meet the service standards of the Commission.

5. The Commission concludes that approval of E2's Application to provide local exchange telecommunications services and intrastate interexchange telecommunications services within South Carolina will serve the public interest by enhancing competition in the State of South Carolina by offering additional service offerings to South Carolina's consumers and by providing for efficient use of existing telecommunications resources.

6. The Commission concludes that the provision of local exchange service by E2 will not otherwise adversely impact the public interest.

7. The Commission concludes that the issuance of the authority to provide local exchange telecommunications services and intrastate interexchange

telecommunications services as requested by E2, and as set forth in its Application, is in the best interests of the citizens of the State of South Carolina.

8. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to E2 to provide competitive intrastate local exchange telecommunications services, including optional features, through the use of UNE-P or resale and to provide intrastate interexchange service via resale.

9. The Commission concludes that E2's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. The Commission has previously granted this "flexible regulation" to competitive local exchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires for the Commission to allow this flexible regulation to those carriers which request it. Specifically under flexible regulation, the Commission adopts for competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.



10. The Commission concludes that E2's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

11. The Commission concludes that terms of the Stipulation between E2 and the SCTC are approved and adopted as a part of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity is granted to E2 to provide via resale competitive intrastate local exchange telecommunications services, including optional services from incumbent local exchange carriers. E2's local exchange service offerings shall be provided in compliance with the Stipulation between E2 and the SCTC. Further, E2 is granted authority to provide via resale intrastate interLATA interexchange telecommunications services and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The terms of the Stipulation between E2 and the SCTC are approved, and adopted as a part of this Order. (The Stipulation is attached to this Order as Order Exhibit 1 and is hereby incorporated as a part of this Order.) Any proposal to provide competitive intrastate local exchange telecommunications service to rural service areas is subject to the terms of the Stipulation.

3. E2 shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. E2's local telecommunications

services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for E2's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, E2's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

4. The Commission adopts a rate design for the long distance services of E2 which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under the Commission approved alternative regulation, the business service offerings of E2, including consumer card services and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the

toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to E2 also.

5. With regard to the interexchange residential service offerings of E2, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

6. E2 shall not adjust its interexchange residential rates below the approved maximum level without notice to the Commission and to the public. E2 shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16,

1993). Any proposed increase in the maximum rate level for interexchange residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2003).

7. If it has not already done so by the date of issuance of this Order, E2 shall file its revised interexchange long distance tariff within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

8. E2 is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's offering of interexchange services, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

10. E2 shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If E2 changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, E2 shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has

been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, the Company shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph four of the Stipulation and Appendix B approved by Order No. 93-462.

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. E2 shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The Company shall utilize the “Authorized Utility Representative Information” form which can be located at the Commission’s website at [www.psc.state.sc.us/reference/forms.asp](http://www.psc.state.sc.us/reference/forms.asp) to file the names of these representatives with the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

13. E2 shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

14. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a “Public Safety Communications Center,” which is

more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs E2 to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association (“SC NENA”) with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing voice or dial-tone services within South Carolina, E2 shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

15. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

16. E2 shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipts reports will necessitate the filing of intrastate information. Therefore, E2 shall keep financial records on an intrastate basis for South Carolina in order to comply with the Commission’s requirements of filing an annual report and a gross receipts report.

The proper form for filing annual financial information for the annual report may be found on the Commission's website at [www.psc.state.sc.us/reference/forms.asp](http://www.psc.state.sc.us/reference/forms.asp). The title of this form is "Annual Report for CLECs" and/or "Annual Report for Interexchange Companies." The Company shall file the annual report form with the Commission by April 1<sup>st</sup> of each year.

Commission gross receipts forms are due to be filed with the Commission no later than August 31<sup>st</sup> of each year. The appropriate form for remitting information for gross receipts is entitled "Gross Receipts Form for Utility Companies" and may also be found on the Commission's website at [www.psc.state.sc.us/reference/forms.asp](http://www.psc.state.sc.us/reference/forms.asp).

Additionally, pursuant to the Commission's regulations, the Company shall file a "CLEC Service Quality Quarterly Report" with the Commission. The proper form for this report can be found at the Commission's website at [www.psc.state.sc.us/reference/forms.asp](http://www.psc.state.sc.us/reference/forms.asp). These "CLEC Service Quality Quarterly Reports" are required to be filed within 30 days of the end of each calendar quarter.

17. The Federal Communications Commission ("FCC") in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2002, and to translate 711 dialed calls to 1-



800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to their assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 1, 2001. Additionally, telephone directories were required to be updated, and bill inserts promoting 711 were also required. This Company must comply with these mandates as applicable. Complete information on compliance with this FCC and Commission requirement may be found on the Commission's website at [www.psc.state.sc.us/reference/forms.asp](http://www.psc.state.sc.us/reference/forms.asp).

18. For good cause shown, E2 is granted a waiver and is hereby authorized to keep its books and financial records in accordance with Generally Accepted Accounting Principles rather than the Uniform System of Accounts method.

19. For good cause shown, E2 is granted a waiver of the requirements that the Company publish and distribute a directory under 26 S.C. Code Ann. Regs. 103-631 and that it file service area maps with the Commission. E2 is ordered to contact the incumbent ILECs to ensure that the Company's customers are included in the applicable directory.

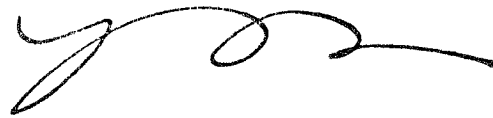
20. For good cause shown, E2 is granted a waiver of the requirement that it file maps of exchange service areas under 26 S.C. Ann. Regs. 103-612.2.3.

21. As a condition of offering prepaid card services, the Commission requires the Company to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The

Certificate of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed in one year.

22. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



---

Mignon L. Clyburn, Chairman

ATTEST:

---

Bruce F. Duke, Executive Director

(SEAL)

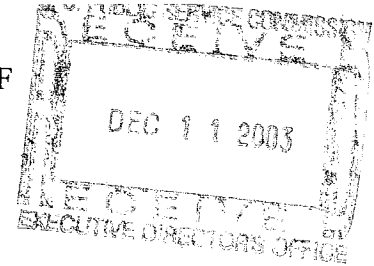
002/15/03

Order Exhibit 1  
Docket No. 2003-306-C  
Order No. 2004-57  
February 10, 2004

Page 1 of 4

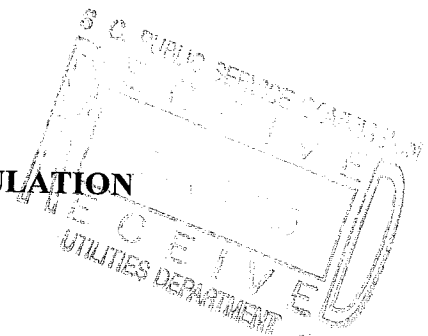
BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

Docket No. 2003-306 -C



Re: Application of E2 Communications, Inc. )  
for a Certificate of Public Convenience and )  
Necessity to Provide Resold Interexchange )  
and Local Exchange Telecommunications )  
Services in the State of South Carolina )  
\_\_\_\_\_ )

**STIPULATION**



The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and E2 Communications, Inc. ("E2 Communications") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose E2 Communications' Application. SCTC and E2 Communications stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to E2 Communications, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. E2 Communications stipulates and agrees that any Certificate which may be granted will authorize E2 Communications to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. E2 Communications stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. E2 Communications stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area,

unless and until E2 Communications provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, E2 Communications acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. E2 Communications stipulates and agrees that, if E2 Communications gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then E2 Communications will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. E2 Communications acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

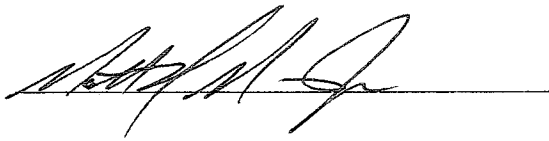
7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and E2 Communications, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. E2 Communications agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

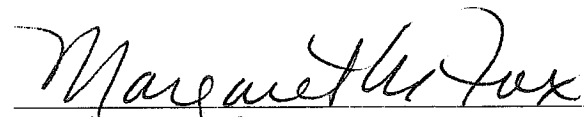
9. E2 Communications hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 10<sup>TH</sup> day of DECEMBER,  
2003.

E2 Communications, Inc.:



South Carolina Telephone Coalition:



M. John Bowen, Jr.  
Margaret M. Fox  
McNAIR LAW FIRM, P.A.  
Post Office Box 11390  
Columbia, South Carolina 29211  
(803) 799-9800

Attorneys for the South Carolina Telephone  
Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Home Telephone Company, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company